

## Message Text

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ORIGIN XMB-04

INFO OCT-01 EA-06 ISO-00 AID-05 EB-07 COME-00 TRSE-00

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DRAFTED BY XMB AMOHANIAN/14)

APPROGZD BY EB/OCA/REP:EMCKEON

W W GLICK ACTING EXECUTIVE VICE PRESIDENT

EA/ROC/KJWEAVER

EB/VIFD/ODF:RASWART

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R 302116Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

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E.O. 11652: NA

TAGS: APUB TS

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO REPUBLIC OF CHINA (TAIWAN)

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT  
BANK RELEASE ON THE DIRECT CREDIT OF \$8.1 MILLION TO DIRECTORATE GENE  
RAL

OF TELECOMMUNICATIONS, MINISTRY OF COMMUNICATIONS. RELEASE IS SCHEDUL  
ED

FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS FRIDAY,  
JUNE 13, 1975.

QUOTE: EXIMBANK SUPPORTS \$27 MILLION SALE OF U.S. ELECTRONIC  
EQUIPMENT WITH \$8.1 MILLION CREDIT TO REPUBLIC OF CHINA

TO SUPPORT A \$27 MILLION SALE OF U.S. ELECTRONIC SWITCHING SYSTEM  
TELEPHONE EXCHANGES TO THE REPUBLIC OF CHINA(TAIWAN), THE BOARD OF  
DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZ

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ED

A DIRECT CREDIT OF \$8.1 MILLION TO FINANCE 30 PERCENT OF THE TOTAL  
U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A  
CREDIT OF \$13.5 MILLION FROM PRIVATE SOURCES NOT YET DESIGNATED

WILL FINANCE 50 PERCENT OF THE U.S. COSTS OF WHICH AN AMOUNT EQUAL  
TO 20 PERCENT OF U.S. DOLLAR COSTS WILL BE COVERED BY EXIMBANK'S  
FINANCIAL GUARANTEE. THE BORROWER,  
DIRECTORATE GENERAL OF TELECOMMUNICATIONS, MINISTRY OF COMMUNICATIONS  
,  
WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COST OF 20 PERCENT  
OR \$5.4 MILLION

THE PROJECT PROVIDES FOR THE INITIAL STAGE OF A LONG RANGE PROGRAM  
TO INTRODUCE ELECTRONIC SWITCHING TYPE TELEPHONE EXCHANGES TO  
THE TAIWAN LOCAL TELEPHONE NETWORK. IT ALSO PROVIDES FOR NECESSARY  
POWER AND AIR CONDITIONING EQUIPMENT FOR 32 EXISTING TELEPHONE  
EXCHANGES. U.S. SUPPLIERS HAVE NOT YET BEEN FIRMLY DESIGNATED.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING  
DECEMBER 10, 1977, WITH EXIMBANK'S CREDIT REPAID IN THE FINAL  
INSTALLMENTS. INTEREST ON EXIMBANK'S DIRECT CREDIT OF \$8.1 MILLION  
WILL BE AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH  
THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN  
ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES,  
OF ABOUT 9.5 PERCENT TO 9.75 PERCENT PER ANNUM.

REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY THE GOVERNMENT OF  
THE REPUBLIC OF CHINA. UNQUOTE  
INGERSOLL

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## Message Attributes

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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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